

VISIT MCMINNVILLE

BUSINESS PLAN & BUDGET

FISCAL YEAR 2016



INTRODUCTION

Dear Tourism Stakeholder,

In 2014, the McMinnville City Council enacted a citywide transient lodging tax (TLT) to raise funds to promote McMinnville as a world-class tourism destination. In doing so, they made a clear statement that tourism would be a primary pillar of the city's long-term economic development strategy.

Following that historic act of leadership, the City Council appointed a broad and diverse group of local leaders to design a plan to invest the city's TLT funds in a way that would generate the greatest return on investment for McMinnville's economy.

After nearly two years of research, collaboration, brainstorming, and tireless work from many dedicated citizens, the City Council approved the creation of Visit McMinnville, a full-service destination marketing organization (DMO) dedicated to enhancing McMinnville's economy through the promotion of tourism.

The business plan on the following pages reflects the marketing projects, programs, and services that Visit McMinnville will implement in the organization's inaugural year to attract visitors to McMinnville, and, in doing so, enhance all segments of the local economy.

As the team tasked with the City of McMinnville's tourism development program, we look forward to working with the community to achieve economic growth and prosperity for all McMinnvillians.

Sincerely,

The Visit McMinnville Board of Directors:

Jeff Knapp
Executive Director
Visit McMinnville

Erin Stephenson
Board Chair
Co-Owner
3rd Street Flats

Maria Stuart
Board Vice Chair
Partner
R. Stuart & Co.

Cassie Sollars
Board Treasurer (At-Large-Member)
Manager
Downtown Association

Ellen Brittan
Board Member
Co-Owner
Brittan Vineyards

Martha Meeker
Board Member (Non-Voting)
City Manager
City of McMinnville

Scott Hill
Board Member (Non-Voting)
City Councilor
City of McMinnville

Emily Howard
Board Member
Co-Owner
Thistle Restaurant

Courtney Cunningham
Board Member-At-Large
Co-Owner
Community Plate

Carmen Peirano
Board Member
Owner
Nick's Italian Cafe

Ty Rollins
Board Member
Owner
Comfort Inn

Cindy Lorenzen
Board Member
Owner
Sage Restaurant

TABLE OF CONTENTS



PETE ALPORT

- Introduction 1
- Visit McMinnville's Guiding Principles 3
- What is Visit McMinnville? 4-5
- How We Measure Success 6
- The Marketing Model - *The Community Tourism Funnel* 7
- Fiscal Year 2014 and 2015 In Review 8
- Fiscal Year 2016 Goals and Objectives 9
- The 2016 Budget 10-11



GARY THURMAN

VISIT MCMINNVILLE'S GUIDING PRINCIPLES

MISSION

Visit McMinnville's mission is to enhance the economic vitality of our community by promoting McMinnville as a year-round visitor, convention, and event destination by maximizing collaborative partnerships, efficiently activating transient lodging tax revenue into effective sales and marketing programs, and cultivating a world-class visitor experience.

VISION

Visit McMinnville's vision is to be the most effective Destination Marketing Organization (DMO) in the State of Oregon, to provide the best delivery of tourism service and information to McMinnville visitors, to be the tourism marketing resource of choice for businesses in McMinnville, and to be the industry leader in financial management and stewardship of public funds.

PURPOSE

Visit McMinnville is an economic development organization whose function is to create an effective mix of marketing, sales, and service programs which are designed to produce a positive economic impact of visitor spending in McMinnville. Developing and implementing these programs results in enhancing the City's livability by providing year-round employment. Visit McMinnville sells the entire City and works in good partnership with all sectors of the McMinnville and Yamhill Valley visitor and convention industry.

VALUES

Excellence in Stewardship of Public Funds

Optimum Trust and Relationship with the Citizens of McMinnville and McMinnville City Council

Innovation, Creativity, and Excellence in All That We Do

Collaboration with Key Partners

Highest Level of Ethical Standards

Reflect the Genuine Warm, Welcoming, and Authentic Character of the Community



WHAT IS VISIT MCMINNVILLE?

VISIT MCMINNVILLE is an innovative marketing organization dedicated to enhancing McMinnville's economy by attracting as many visitors as possible to the City, and once they're here, ensuring those visitors spend as much money as possible with local businesses.

PHOTO: PETE ALPORT



THINK OF US as a full-service marketing,
PR, and advertising agency with only ONE client:
The McMinnville Tourism Industry

HOW WE MEASURE SUCCESS

Visit McMinnville uses several metrics to gauge the ebbs and flows of McMinnville's tourism industry and to evaluate the effectiveness of Visit McMinnville's marketing efforts. When viewed cumulatively, these metrics provide a reliable approximation of the health of the industry and the effectiveness of Visit McMinnville's programs and services. Listed below are the primary **TOURISM METRICS** Visit McMinnville uses with a brief description of each.

TRANSIENT LODGING TAX COLLECTIONS (TLT)

TLT collections serve as the primary metric Visit McMinnville uses to measure the ebbs and flows of the McMinnville tourism industry. Due to the demand-driven nature of lodging pricing (the higher the demand, the higher the lodging rates), TLT collections provide a **BLENDED METRIC** of rate and occupancy that effectively approximates the overall demand for a destination's lodging inventory.

CITYWIDE LODGING OCCUPANCY

Citywide lodging occupancy is the percentage of available lodging units occupied for a defined period of time. Smith Travel Research (STR) occupancy data is the industry standard used by Travel Oregon, The Oregon Employment Department, most lodging companies, and Visit McMinnville. Along with TLT data, citywide occupancy data helps Visit McMinnville gauge the ebbs and flows of the City's tourism industry.

WEBSITE TRAFFIC TO VISITMCMINNVILLE.COM

Visit McMinnville's marketing model is designed to drive customers and leads to visitmcminnville.com where they are converted to customers for local businesses. As a result, the volume of visitors to Visit McMinnville's website is a key metric used to evaluate interest in our destination and the effectiveness of our marketing.

REFERRAL TRAFFIC FROM VISITMCMINNVILLE.COM TO STAKEHOLDER WEBSITES

Visitmcminnville.com is designed to convert Visit McMinnville's marketing efforts to revenue for local businesses. Therefore, the volume of website referrals sent from visitmcminnville.com to the websites of tourism stakeholders is a primary metric used to evaluate the effectiveness of Visit McMinnville's marketing.



VISIT MCMINNVILLE'S MARKETING MODEL *(aka The Community Tourism Funnel)*

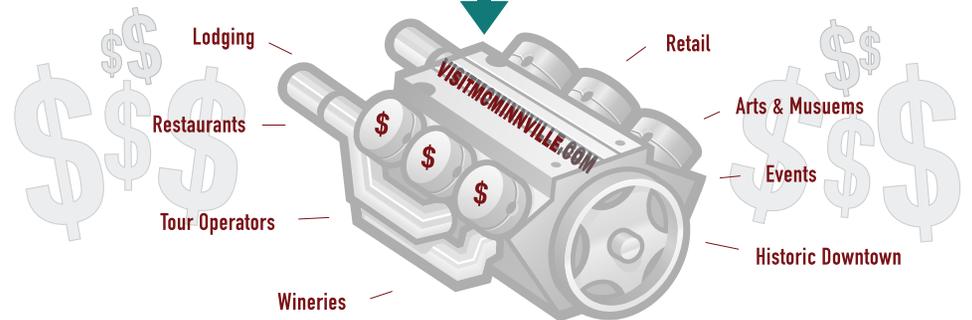
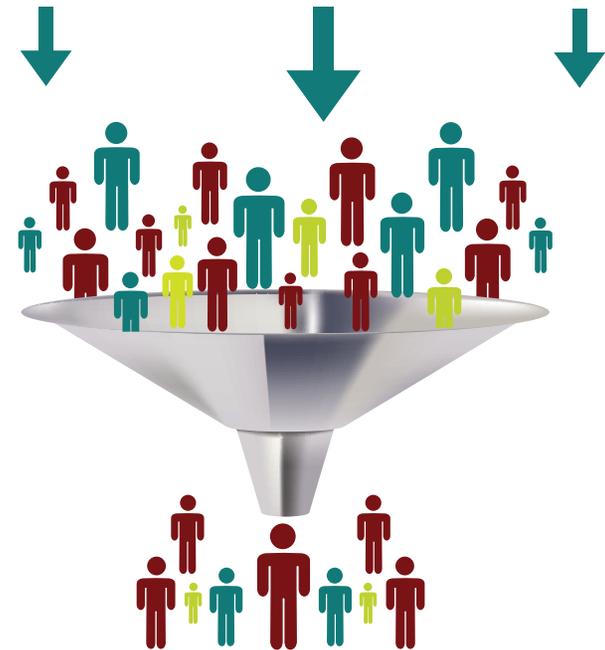
Virtually everything Visit McMinnville does is designed to drive traffic to VISITMCMINNVILLE.COM. Visit McMinnville's marketing model is founded on the fundamental strategy of generating customers through a comprehensive mix of **MARKETING**, **SALES**, and **PUBLIC RELATIONS** programs, then driving those customers to VISITMCMINNVILLE.COM where they are connected to McMinnville's tourism stakeholders.

As a non-membership, publicly funded organization, Visit McMinnville offers free listings on visitmcminnville.com to tourism stakeholders to ensure transient lodging tax dollars benefit the entire tourism industry.

The premise is, we attract visitors to McMinnville and provide opportunities for local businesses to convert those visitors to customers.

VISIT MCMINNVILLE'S website is the engine that converts Visit McMinnville's marketing efforts to revenue for local businesses.

**TV ADVERTISING • RADIO ADVERTISING • PRINT ADVERTISING
SEO / SEM • CITYWIDE EVENTS • PUBLIC RELATIONS • SOCIAL MEDIA
ONLINE MARKETING • BROCHURE DISTRIBUTION
GROUP SALES AND RECRUITMENT • PROMOTIONS
ECONOMIC DEVELOPMENT BRIDGE CAMPAIGN**



FISCAL YEARS 2014 AND 2015 IN REVIEW

Over the past two years, the City of McMinnville has achieved significant and historical advancements in implementing a tourism development program that will enhance the local economy for many years to come. Listed below are a few of McMinnville's tourism accomplishments from 2014 and 2105.

- City Council worked closely with tourism leaders to implement McMinnville's first ever transient lodging tax (TLT) to generate economic development funds for tourism promotion.
- The City Council appointed a TLT Advisory Committee to develop and implement a tourism grant program.
- The TLT Advisory Committee implemented the grant program, and simultaneously reached out to tourism stakeholders and council members to work through a strategic planning process to determine the most effective long-term way to invest McMinnville's tourism promotion funds.
- In April of 2015, McMinnville's TLT Advisory Committee decided to launch a full-service destination marketing organization (DMO) to invest and manage the City's TLT funds.
- From May through June 2015, the TLT Advisory Committee worked with a team of City staff, tourism consultants, and elected officials to draft bylaws and a sole-source provider contract.
- In July of 2015, Visit McMinnville was officially incorporated as an Oregon 501(c)(6) dedicated to enhancing McMinnville's economy through the promotion of tourism.
- In July of 2015, Visit McMinnville signed a multi-year contract with the City of McMinnville, and City Council appointed the organization's first board of directors.
- In September of 2015, the Visit McMinnville Board of Directors approved the organization's fiscal year 2016 budget, and adopted official Financial Policies and Procedures.
- In September of 2015, the Visit McMinnville Board of Directors hired the organization's first Executive Director.
- In November of 2015, Visit McMinnville signed a lease for temporary office space in downtown McMinnville.
- In November of 2015, Visit McMinnville presented its Fiscal Year 2016 Business Plan and budget to City Council.



FISCAL YEAR 2016 GOALS & OBJECTIVES



- Achieve 10% YOY growth in TLT collections
- Achieve a 2.5 percentage point year-over-year growth in annualized citywide lodging occupancy
- Launch a full-service website and generate a minimum of 250,000 visits to that website
- Recruit and hire a highly effective marketing manager
- Produce an award-winning advertising campaign consisting of TV commercials, radio commercials, print advertisements, and digital advertisements
- Launch a multi-media advertising campaign in target markets
- Design and launch a compelling wine trail marketing promotion
- Produce a 90-second, cutting-edge destination marketing video
- Design and print a premium 12-page "mini-guide" to showcase McMinnville's tourism appeal and promote McMinnville as a year-round travel destination
- Contract with a highly-effective public relations agency to generate positive media coverage for McMinnville tourism
- Launch and maintain a comprehensive social media marketing program
- Work with community partners to recruit meetings, conventions, athletic events, and other travel groups to McMinnville
- Implement a highly effective, sophisticated, and transparent financial management program consistent with Visit McMinnville's financial policies and procedures
- Work with community economic development partners to design and produce a "bridge campaign" to leverage Visit McMinnville's tourism promotion efforts to enhance the community's broader economic development efforts

THE 2016 BUDGET

TOTAL

REVENUE

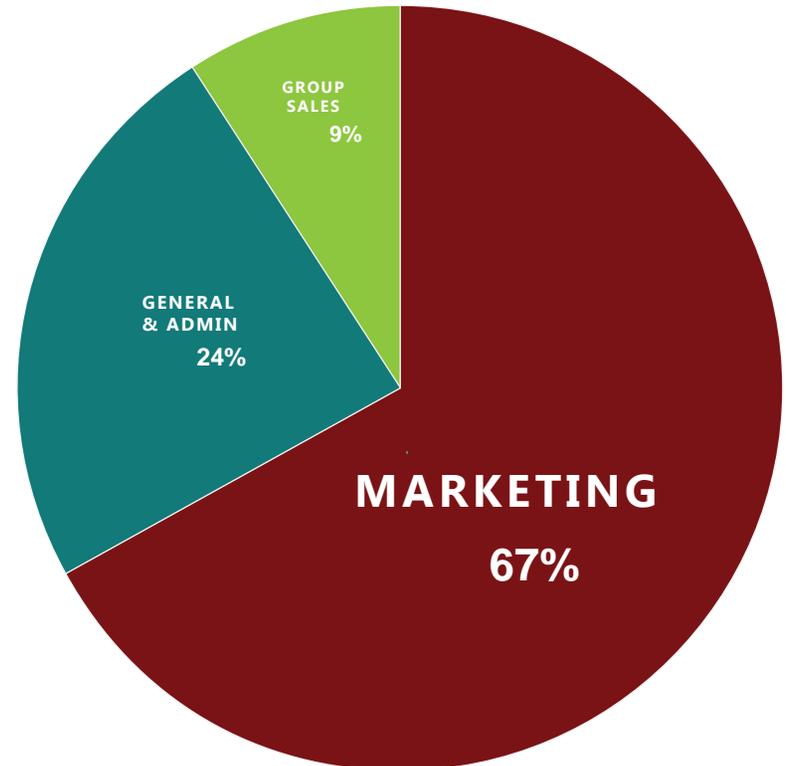
City Funding - FY 16	425,425
City Funding - FY 15 and Prior	400,000
Advertising Sales	5,000
Total	\$ 830,425

EXPENSES

Marketing	457,436
Group Sales	58,996
General & Administration	166,482
Total	\$682,914

RESERVE FUNDS **\$ 147,511**

PRIMARY BUDGET ALLOCATIONS



PETE ALPORT

THE 2016 BUDGET

REVENUE	TOTAL \$	TOTAL %
City Funding - FY 16	425,425	51.2%
City Funding - FY 15 and Prior	400,000	48.2%
Retail Sales	0	0%
Advertising Sales	5,000	0.6%
Event Revenue	0	0%
Other Revenue	0	0%
TOTAL	\$ 830,425	100%

PERSONNEL EXPENSES	TOTAL \$	TOTAL %
Base Pay	96,875	11.7%
Incentive Pay	15,000	1.8%
Payroll Taxes	8,323	1.0%
Employee Benefits	16,328	2.0%
TOTAL	\$ 136,527	16.4%

SALES & MARKETING EXPENSES	TOTAL \$	TOTAL %
Visitor Development Fund	36,000	4.3%
Online Marketing	48,900	5.9%
Photo	16,000	1.9%
Print	16,000	1.9%
Production	91,500	11.0%
Radio	30,000	3.6%
Trade Shows	1,950	0.2%
TV	48,000	5.8%
Collateral	20,500	2.5%
Postage	9,000	1.1%
Public Relations	21,000	2.5%
Promotions	21,000	2.5%
Research	9,000	1.1%
Website Development	41,400	5.0%
Travel & Meals	7,200	0.9%
Retail Purchasing	0	0%
TOTAL	\$ 417,450	50.3%

OVERHEAD EXPENSES	TOTAL \$	TOTAL %
Building Lease	3,750	0.5%
Building Maintenance	750	0.1%
Equipment Lease & Maint.	4,410	0.5%
Professional Fees	89,050	10.7%
Office Supplies	4,767	0.6%
Utilities	0	0.0%
Bank Fees	600	0.1%
Dues & Subscriptions	3,750	0.5%
Insurance	3,600	0.4%
Licenses & Permits	2,700	0.3%
Education & Training	1,000	0.1%
Network & Telco	7,200	0.9%
Non-Capital IT	3,760	0.5%
Depreciation & Amortization	3,600	0.4%
TOTAL	\$ 128,937	15.5%

TOTAL EXPENSES
\$ 682,914



- This page intentionally left blank -

VISIT MCMINNVILLE

VISITMCMINNVILLE.COM

All rights reserved; reproduction in whole or in part is prohibited without written permission from Visit McMinnville. Copyright 2015.